

ASX ANNOUNCEMENT
ECS Botanics Holdings Ltd (ASX:ECS)
4 January 2023



ECS secures \$9.9m supply agreement into German medicinal cannabis market

- **ECS Botanics executes binding agreement with Ilios Santé GmbH to supply a minimum of AUD 9.9m worth of GMP manufactured, medicinal cannabis products over 3 years**
- **German medicinal cannabis market continues to grow strongly, with German legislators recently moving to legalise recreational use**

ECS Botanics Holdings Ltd (ASX: ECS) ("ECS" or the "Company") is pleased to advise that it has entered into a binding three year agreement with German company Ilios Santé GmbH ("**Ilios Sante**") for the supply of medicinal cannabis products, which will generate a minimum of \$ 9.9m in revenue for the Company.

ÉCS's Head of European Operations, Michael Clark commented:

"Securing an agreement with a long term partner in Germany was an essential building block of ECS's EU market access strategy. Ensuring that our German partner not only had the necessary narcotic licenses but also has its own clinic network, and the ability to adapt to future changes in cannabis legislation were key elements in securing the agreement. This partnership enables ECS and Ilios Sante to grow an exciting and sustainable business together in Europe's largest medicinal cannabis market."

Ilios Sante is based in Frankfurt, Germany. It is a fully licensed wholesaler with the authorisations and permissions to import and distribute narcotics and other pharmaceutical products. It's focus is on the procurement and distribution of medical products containing cannabinoids as an alternative medicine. Ilios Sante is part of the Bloomwell Group, which also includes Algea Care, Germany's leading platform for therapy with medicinal cannabis.

Under the agreement ECS will exclusively supply 4 medicinal cannabis strains to Ilios Sante with a minimum revenue of \$9.9m of GMP manufactured medicinal cannabis products over the following 3 years. First supply is anticipated once product registration has been completed.

Both parties may terminate the agreement upon 10 days prior notice if either party breaches any provision of the agreement or is unable to establish or maintain industry quality standards, and fails to rectify within 30 days. ECS may also terminate the agreement if Ilios Sante fails to make any payment when due and has not remedied such non-payment within 10 business days following receipt of written notice. ECS can also immediately terminate the agreement upon written notice of an insolvency event



Managing Director, Nan-Maree Schoerie added:

"Germany is Europe's largest medicinal cannabis market, and we have worked hard to identify the right in-country partner for ECS. Ilios Sante is well entrenched in the German pharmaceutical market, with links to a significant medicinal cannabis therapeutic platform. The contract followed Ilios Sante's own due diligence in assessing ECS as its chosen partner, and it is clear they value what we offer and our strong pharmaceutical approach to Cannabis. In our experience customers generally exceed minimum order quantities and we are optimistic this agreement will deliver a similar outcome."

-ENDS-

About ECS BotaniCS Holdings Ltd

ECS BotaniCS Holdings Ltd is an Australian medicinal cannabis cultivator and manufacturer located in Northwest Victoria. *ECS* utilises progressive and innovative cultivation methodologies to produce quality medicine in a sustainable way, adopting regenerative and organic horticultural practices and renewable energy sources. Licenced by the Therapeutic Drug Administration to manufacture PIC/S GMP certified products, *ECS* has become a leading provider of high quality, affordable medicinal cannabis.

For further information, please contact:

Alexander Keach, Head of Corporate Relations
info@ecs-botanics.com

Authorised on behalf of ECS by Nan-Maree Schoerie, Managing Director